

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN EXAMINATION BY THE PUBLIC)	
SERVICE COMMISSION OF THE)	
APPLICATION OF THE FUEL ADJUST-)	
MENT CLAUSE OF BLUE GRASS)	CASE NO. 8595
RURAL ELECTRIC COOPERATIVE)	
CORPORATION FROM NOVEMBER 1,)	
1980, TO OCTOBER 31, 1982)	

O R D E R

Pursuant to 807 KAR 5:056, Sections 1(11) and (12), the Public Service Commission ("Commission") issued its Order on October 20, 1982, scheduling a hearing to review the operation of the fuel adjustment clause of Blue Grass Rural Electric Cooperative Corporation ("Blue Grass") for the past 2 years and to determine the amount of fuel cost that should be transferred (rolled in) to the base rates in order to reestablish the fuel adjustment charge.

Blue Grass filed all requested information, including its monthly fuel charges for the 2-year period under review. Following proper notice, a hearing was held on January 25, 1983.

The Commission approved a transfer (roll-in) of 3.11 mills per KWH to the base rates of Blue Grass' wholesale supplier, East Kentucky Power Cooperative, Inc., ("East Kentucky") in Case No. 8588. Approval of East Kentucky's proposal requires that Blue

Grass also be authorized to roll in those same fuel costs to its base rates.

The Commission has reviewed the monthly fuel adjustment clause filing made by Blue Grass in conjunction with the schedule of over- or under-recovered fuel costs filed in this proceeding. This review indicates that the Commission should revise the monthly fuel adjustment clause filing form to minimize errors.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. Blue Grass has complied in all material respects with the provisions of 807 KAR 5:056.

2. Blue Grass' wholesale supplier has been authorized to transfer (roll in) to its base rates fuel costs of 3.11 mills per KWH in Case No. 8588.

3. Blue Grass should be authorized to increase the rates charged its customers by 3.28 mills per KWH in order to transfer fuel costs rolled in by East Kentucky from the fuel adjustment clause to the base rates pursuant to the Commission's Order in Case No. 8588 and applicable line loss, and this can best be accomplished by an energy adder to each KWH sold.

4. The revised rates and charges in Appendix A are designed to reflect the transfer of fuel costs from the fuel adjustment clause rate to the base rates.

5. The monthly fuel adjustment clause filing form currently being filed by Blue Grass should be revised.

IT IS THEREFORE ORDERED that the charges collected by Blue Grass through the fuel adjustment clause for the period November 1, 1980, through October 31, 1982, be and they hereby are approved.

IT IS FURTHER ORDERED that Blue Grass be and it hereby is authorized to transfer to its base rates fuel costs transferred by its wholesale supplier pursuant to Case No. 8588.

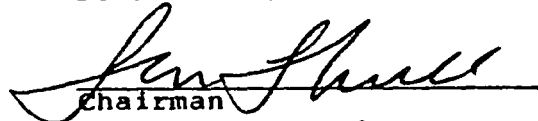
IT IS FURTHER ORDERED that the rates in Appendix A be and they hereby are approved for service rendered by Blue Grass on and after June 1, 1983, which is also the effective date for East Kentucky's rates.

IT IS FURTHER ORDERED that within 30 days from the date of this Order Blue Grass shall file with the Commission its revised tariff sheets setting out the rates approved herein.

IT IS FURTHER ORDERED that the revised monthly fuel clause form in Appendix B shall be used by Blue Grass for all filings made after the date of this Order pursuant to 807 KAR 5:056 to recover or refund fuel charges or credits billed or refunded by its wholesale supplier.

Done at Frankfort, Kentucky, this 3rd day of June, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 8595 DATED JUNE 3, 1983

The following rates and charges are prescribed for the customers in the area served by Blue Grass Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

GS - 1 (GENERAL SERVICE)

Rate:

Customer Charge (No Usage)	\$5.30 Per Meter, Per Month
First 600 KWH Per Month	.07072 Per KWH
All Over 600 KWH Per Month	.06035 Per KWH

C 1-COMMERCIAL AND INDUSTRIAL LIGHTING & POWER SERVICE

Rate:

Demand Charge

First 10 KW of Billing Demand	No Charge
Over 10 KW of Billing Demand	\$6.23

Energy Charge (Under 50 KW)

First 3,000 KWH	\$.07254
All Over 3,000 KWH	.05793

<u>Customer Charge</u>	\$6.95
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LP - #1 - LARGE POWER

Rate:

Maximum Demand Charge

\$6.23 Per Month Per KW of Billing Demand

Energy Charge (51-500 KW)

First	10,000 KWH	\$.05306 Per KWH
Next	15,000 KWH	\$.04636 Per KWH
Next	50,000 KWH	\$.04076 Per KWH
Next	75,000 KWH	\$.03846 Per KWH
All Over	150,000 KWH	\$.03676 Per KWH

Customer Charge \$24.00 Per Month

LP - #2 LARGE POWER

Rate:

Maximum Demand Charge

\$6.23 per month per KW of Billing Demand

Energy Charge (Over 500 KW)

First	3,500 KWH	\$.05389 Per KWH
Next	6,500 KWH	.04562 Per KWH
Next	140,000 KWH	.04049 Per KWH
Next	200,000 KWH	.03894 Per KWH
Next	400,000 KWH	.03802 Per KWH
Next	550,000 KWH	.03710 Per KWH
All Over	1,300,000 KWH	.03183 Per KWH

Customer Charge \$24.00 Per Month

SECURITY LIGHTS

Rate Per Light Per Month:

8,500 Lumen Mercury Vapor	Per Lamp Per Mo.	\$5.40
20,000 Lumen Mercury Vapor	Per Lamp Per Mo.	8.31
5,800 Lumen High Pressure Sodium	Per Lamp Per Mo.	5.27
9,500 Lumen High Pressure Sodium	Per Lamp Per Mo.	6.88

STREET LIGHTING

Rate Per Light Per Month:

4,000 Lumen Incadescent	Per Lamp Per Mo.	\$5.55
6,000 Lumen Incadescent	Per Lamp Per Mo.	7.22
8,500 Lumen Mercury Vapor	Per Lamp Per Mo.	5.40
20,000 Lumen Mercury Vapor	Per Lamp Per Mo.	8.31
5,800 Lumen High Pressure Sodium	Per Lamp Per Mo.	5.31
9,500 Lumen High Pressure Sodium	Per Lamp Per Mo.	6.88

Fuel Clause Adjustment

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

MONTHLY FUEL ADJUSTMENT CLAUSE (FAC) Report

Page 1 of 3

COMPANY: _____ POWER SUPPLIER: _____

Disposition of Energy (KWH) - Month of: _____

1. Total Purchases _____
 2. Sales (Ultimate Consumer) _____
 3. Company Use _____
 4. Total Sales (L2 + L3) _____
 5. Line Loss & Unaccounted for (L1 less L4) _____

(Over) or Under Recovery - Month of: _____

6. Last FAC Rate Billed Consumers _____
 7. Gross KWH Billed at the Rate on L6 _____
 8. Adjustments to Billing (KWH) _____
 9. Net KWH Billed at the Rate on L6 (L7 + L8) _____
 10. Fuel Charge (Credit) Used to Compute L6 _____
 11. FAC Revenue (Refund) Resulting from L6 (net of billing adj.) _____
 12. Total (Over) or Under Recovery (L10 less L11) _____

Purchased Power - Month of: _____

13. Fuel Adjustment Charge (Credit):
 A. Billed by supplier _____
 B. (Over) Under Recovery (L12) _____
 C. Unrecoverable - Schedule 2 _____
 D. Recoverable Fuel Cost (L13 A+B-C) _____
 14. Number of KWH Purchased _____
 15. Supplier's FAC: \$ per KWH (L13A + L4) _____

Line Loss

16. Last 12 Months Actual (%) - _____
 17. Last Month Used to Compute L16 _____
 18. Line Loss for Month on L17 (%) (L5 + L1) _____
 Calculation of FAC Billed Consumers
 19. Sales as a Percent of Purchases (100% less percentage on L16) _____
 20. Recovery Rate \$ per KWH (L13D + L14) _____
 21. FAC \$ per KWH (L20 + L19) _____
 22. FAC \$ per KWH (L21 x 100) _____

Line 22 reflects a Fuel Adjustment Charge (Credit) of _____ \$ per KWH to be applied to bills rendered on and after _____, 19____.

Issued by: _____ Title: _____
 Address: _____ Telephone: _____

SCHEDULE 1
TWELVE MONTH ACTUAL LINE LOSS
FOR FUEL ADJUSTMENT CHARGE COMPUTATION
FOR _____, 198__

	(a) <u>KWH PURCHASED</u>	(b) <u>KWH SOLD</u>	(c) <u>OFFICE USE</u>	(d) <u>KWH LOSSES</u>
Previous twelve months total -				
Less: Prior year-current month total -				
Plus: Current year-current month total -				
Most Recent Twelve Month Total -	_____	_____	_____	_____

(d) _____ ÷ (a) _____ = _____ Enter on line 16 of the current month's (FAC) Report

SCHEDULE 2
CALCULATION OF UNRECOVERABLE FUEL COST
DUE TO EXCESSIVE LINE LOSS
FOR THE MONTH ENDED

1. Purchases For the Month (KWH) _____
2. Less Line Loss (10% x L1) _____
3. Sales (L1 less L2) _____
4. Unrecoverable Fuel Charge Per KWH:
 - a. FAC Rate based on Actual Line Loss
(Current Month's Report L15 ÷ (100% Less L16) \$ _____
 - b. FAC Rate based on 10% Line Loss
(Current Month's Report L15 ÷ 90%) _____
 - c. Increment unrecoverable \$ _____
5. Unrecoverable Fuel Cost - (L4c x L3 enter on Line
13c of current month's FAC report) \$ _____

Note: This schedule is to be filed for each month that the 12 month actual Line Loss exceeds 10% and the amount billed by the supplier is a charge. This schedule is not to be filed if the amount billed by the supplier is a credit.